

FINAL BILL REPORT

SHB 2358

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Synopsis as Enacted

Brief Description: Allowing charitable organizations to hire vendors to conduct fund raising events.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Wood, McMorris, Clements, Conway and Radcliff).

House Committee on Commerce & Labor
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Nonprofit or charitable organizations may conduct fund-raising events that include gambling activities such as bingo, casino-style games, amusement games, and raffles. Wagers are made in these gambling activities using money. The number of events an organization may hold each year is limited to an extended event once a year lasting up to three days or two one-day events twice a year.

The total annual profit from fund-raising events may not exceed \$10,000 for any individual organization. Organizations may join together to sponsor an event. The total profit from a joint event may not exceed \$10,000. In calculating the \$10,000 limit, an organization reduces the amount of gross wagers by the amount paid out as winnings and the cost of prizes given as winnings.

These events may be conducted only as prescribed by the gambling laws. For example, only members of the organization may participate in the management or operation of the activities. All income, less prizes and expenses, must be devoted solely to the lawful purposes of the organization, and local law enforcement must be notified of the time and place of the event.

This method of raising money by nonprofit and charitable organizations has become less popular, and revenue from this type of event has declined.

Summary of Bill:

Another method is established for conducting fund-raising events by charitable and nonprofit organizations.

Organizations may hire a person or a vendor who is licensed by the Gambling Commission to conduct a fund-raising event on behalf of the organization under the following conditions:

- (1) all wagers must be made with chips or scrip having no cash value that can be redeemed for prizes;
- (2) the value of all purchased prizes may not exceed 10 percent of the gross revenue from the event;
- (3) the person or vendor conducting the event may provide the equipment and the personnel to operate the equipment but may not provide the facility;
- (4) the person or vendor may receive a fixed fee determined prior to the event and may not share in the proceeds of the event; and
- (5) only members and guests may participate in the event.

These fund-raising events remain subject to all other provisions of the gambling laws.

Votes on Final Passage:

House 76 21
Senate 27 17

Effective: June 8, 2000